



State of Arizona  
Department of Education

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**School Finance Advisory Committee**  
Fiscal Year 2007

Monday, August 28, 2006

**Logistics**

**Meeting Time**

Please plan for a punctual arrival so the meeting can begin on time.

Meeting: 1:00 p.m. – 4:00 p.m.

**Meeting Location**

Arizona State Capitol  
Executive Tower Building  
1700 West Washington  
Grand Canyon Room  
(basement)  
Phoenix, AZ 85007

**ADE Contact Info**

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**School Finance Advisory Committee**  
**Fiscal Year 2007**

**Meeting Agenda**

General		Start Time	Stop Time
<b>Date</b>	Monday, August 28, 2006	1:00 pm	4:00 pm
<b>Location</b>	Arizona State Capitol, Executive Tower Building, 1700 West Washington, Grand Canyon Room (basement), Phoenix, AZ 85007		

Members			ADE Staff
Ms. Patricia Beatty	Ms. Rita Leyva	Mrs. Adrienne E. Sanchez	Bonnie Betz
Mrs. Lana E. Berry	Mr. Scott Little	Dr. Elizabeth M. Sanders	Paul Carolan
Mr. Daniel D. Bigler, CPA	Mrs. Lucia Marrufo	Mrs. Vickie L. Simmons, CPA	Bob Dohm
Mr. Mark E. Busch	Mr. Brian L. Mee	Dr. Kenneth A. Smith	Teddy Dumlao
Ms. Marcie K. Celaya	Ms. Montie Morris	Mr. Fred A. Stone III	Harold Frederick
Mr. Paul Christensen	Ms. Linda F. Munk, M.Ed	Mr. Roger Studley	Lyle Friesen
Mr. Kent DeYoung	Mr. Quincy Natay, MBA	Mrs. Brenda Thomas	Dolores Gerritse
Ms. Lori Garvey	Ms. Tina M. Norton	Mrs. Rose Whelihan	Art Harding
Ms. Mary F. Gifford	Mrs. Norma Pacheco	Mrs. K. Raechel Whitmer	Jill Heikkila
Ms. Karen L. Havird	Mr. Kevin E. Price	Ms. Sandy Wilkins	Vicki Salazar
Mr. Ken Hicks	Mrs. Linda A. Proctor-Downing	Mr. George Zeigler	Tina Shaw
Ms. Michele Kaye	Mr. Michael D. Reed		Ruth Solomon
Dr. Gaye Leo	Mr. George Ritchie		Philip G. Williams

Agenda
(Lyle Friesen) Review/Approval of June 2006 Minutes (handout) (Jill Heikkila) School Finance Beacon (handout) (Sandy Wilkins) Prop 301 Funding – Making up for prior year shortfalls (Karen Havird) Request for standing subcommittee for SAIS policy decisions Report from subcommittees: <ul style="list-style-type: none"> <li>Concurrent Enrollment (Rose Whelihan-Chair) – Results of subcommittee recommendations email vote</li> <li>Auditable ADM (Paul Carolan-Chair) – Nothing to report at this time</li> </ul> Call to the Audience Adjournment

**Next Meeting:** Monday, October 16, 2006  
 1:00 – 4:00 pm

**Location:** Arizona State Capitol  
 Executive Tower Building  
 2<sup>nd</sup> Floor Conference Room  
 1700 West Washington  
 Phoenix, AZ 85007

**Estimated Distribution Date of August 2006 Meeting Minutes:** September 18, 2006

## School Finance Advisory Committee Meeting

### Monday, June 12, 2006

Subject / Name	Issue	Suggestions / Resolution
Minutes Review	No corrections were made to the minutes.	
Indirect Cost	Jill noted that a broadcast fax was sent to the LEAs noting the new way in which the indirect cost rate can be calculated between the districts and the counties. There were no questions about the fax or indirect cost rate in general.	
ListServ	Teddy reviewed the purpose of the ListServ. The ListServ will give updates to SAIS, SAIS Online, SDAR and updates. Kevin Price noted that he had some trouble receiving the ListServ emails due to it being associated with Yahoo Groups. Teddy asked what other items might be beneficial to see on the ListServ.	
Absence Rate	Clarification of absence rate on 45-1. ARS 15-902 reads "For a common or unified school district in which the average daily membership through the first one hundred days or two hundred days in session, as applicable, of the current year has exceeded the average daily attendance through the first one hundred days or two hundred days in session, as applicable, of the current year by more than six per cent, the student count shall be determined by an adjusted average daily membership computed by multiplying the actual average daily attendance by one hundred six per cent." If ADM exceeds ADA by 6% then the ADM can be adjusted for excessive absences. Teddy raises the question of 6% of what. Take the difference between the ADA and ADM. On the reports, one of the changes that we're looking in to doing is removing the absence rate and changing to an attendance adjustment threshold to determine adjusted ADM. Teddy inquired as to whether anyone is using the absence rate on the 45-1 for any reason other than excessive absence calculation. An absence rate of 5.6% is considered 6% by statute. Rose noted that the calculation should be in the IRR. She also noted that Chuck Essigs may know why the calculation was done as it is. Kevin Price recommended that this piece of legislation be removed to eliminate work for school districts because they rarely get paid on anything other than ADM. He asked how we go about trying to modify this. Kevin requested that SF look at the absence approval to determine when a district and/or charter is paid off the adjusted ADM. After reviewing the numbers, it will be determined whether to start a subcommittee or not.	<ol style="list-style-type: none"> <li>1. Kevin requested that Jill in SF look at the absence approvals to determine when a district and/or charter is paid off the adjusted ADM.</li> <li>2. It was agreed that the rate as reported on the 45-1 should stay, but that the title should be revised to actually state what the rate actually represents.</li> </ol>
Chart of Accounts	Norma wanted to know when the LEAs will receive the chart of accounts. Lyle explained that the revised chart of accounts will not go into effect until July 1, 2007.	
Concurrent Enrollment	The subcommittee recommendation was re read to the committee and it was determined that the recommendation needs some rewording.	<ol style="list-style-type: none"> <li>1. Rose will revise the recommendation.</li> <li>2. Jill will send revised recommendation to the SFAC and tally the votes via email.</li> </ol>
Auditable ADM	Auditable ADM subcommittee has nothing to report at this time.	

## School Finance Advisory Committee Meeting Monday, June 12, 2006

<b>Call to the Audience</b>	<p>Teddy noted that the FY06 recalculation will begin on July 7, 2006. Teddy explained that he and Dolores are working on adding a function to the ListServ that reminds LEAs of upcoming deadlines and other important dates.</p> <p>Karen wanted to make sure that Phil Williams knows of her appreciation for his support of the Arizona schools.</p> <p>Karen asked that there be a description of each application on the Common Logon.</p> <p>Brenda Thomas would like to know if tuition-in billing be included in soft capital.</p> <p>Lyle will attempt to get this in as a technical correction.</p>	<ol style="list-style-type: none"><li>1. Lyle will attempt to get tuition-in billing included in soft capital in as a technical correction.</li><li>2. Lyle will also work on a technical correction to change the requirement where districts must complete a December 15th revision when their budgets differ from their limits by greater than \$1000.</li></ol>
<b>Next Meeting</b>	<a href="#">Monday, August 28, 2006</a>	<b>Arizona State Capitol Executive Tower Building Grand Canyon Conference Room (basement) 1700 West Washington Phoenix, AZ 85007</b>

# School Finance Advisory Committee Meeting

## Monday, June 12, 2006

### Acronyms

AASBO	Arizona Association of School Business Officials	M&O	Maintenance and Operation Fund
ADE	Arizona Department of Education	NAVIT	Northern Arizona Vocation Institute of Technology
ADM	Average Daily Membership	RTC	Regional Training Center
AFR	Annual Financial Reports	SAN	Storage Area Network
AG	Auditor General	SDAR	Student Detail Activity Report
CCD	Common Core Data	SDER	School District Employee Report
CEC	Certificate of Education Convenience	SF	School Finance
CSF	Classroom Site Fund	SFAC	School Finance Advisory Committee
EVIT	East Valley Institute of Technology	SFB	School Finance Board
IRR	Instructions for Required Reports	SMS	Student Management System
JTED	Joint Technological Education District	USFR	Uniform System of Financial Records
LEA	Local Education Agency		

Action Items / Commitments	
<b>Jill Heikkila</b>	<ul style="list-style-type: none"> <li>Look at the absence approvals to determine when a district and/or charter is paid off the adjusted ADM.</li> <li>Send Kindergarten document to Pat Beatty.</li> <li>Email Attorney Generals opinion on I90-020 (obtain from Lyle.)</li> </ul>
<b>Rose Whelihan</b>	<ul style="list-style-type: none"> <li>Revise the Concurrent Enrollment recommendation.</li> </ul>
<b>Teddy Dumlao</b>	<ul style="list-style-type: none"> <li>It was agreed that the rate as reported on the 45-1 should stay, but that the title should be revised to actually state what the rate actually represents.</li> </ul>
<b>Lyle Friesen</b>	<ul style="list-style-type: none"> <li>Attempt to get tuition-in billing included in soft capital in as a technical correction.</li> </ul>

### Members in Attendance

Members			ADE Staff
Patricia Beatty	Lucia Marrufo	Elizabeth Sanders	Teddy Dumlao
Mark Busch	Linda Munk	Vickie Simmons	Harold Frederick
Paul Christensen	Tina Norton	Roger Studley	Lyle Friesen
Lori Garvey	Norma Pacheco	Brenda Thomas	Dolores Gerritse
Angela Germinaro	Kerri Porter	Rose Whelihan	Jill Heikkila
Karen L. Havird	Kevin E. Price	George Zeigler	
Ken Hicks	Michael D. Reed		

# School Finance Beacon



ARIZONA DEPARTMENT OF EDUCATION  
**TOM HORNE**  
SUPERINTENDENT OF PUBLIC INSTRUCTION

Volume 1 Issue 1

August 2006

## The *Phil-o-Sophic* Corner

Oftentimes we see automobiles and trucks on our streets and highways displaying the question, *How's my driving?* While it is an invitation for candid dialog, it does, however, leave the door wide-open for criticism and most people are quick to shy away from such negative exposures. As concerning as that might be, I believe the only way to identify issues about performance is to ask the people affected by your actions to honestly tell you how they were affected by them. In **The *Phil-o-Sophic* Corner**, we intend to do precisely that – we'd like to begin a dialog with you about School Finance policies and our interpretation of the statutes upon which they are based. This quarterly column and the School Finance Listserv (for a definition of Listserv & how to subscribe, see page four) will, hopefully, provide you with an

opportunity to start a discussion regarding *how WE are driving* and enable you to make suggestions on how you think we might improve the collaboration between School Finance and the Local Education Agencies (LEAs).

The ADE School Finance organization has focused on two primary areas to help improve policy decisions and the administrative services we provide to public schools. The first area of focus is to improve our communications with the LEAs which will help us to better understand your work requirements. The second area concentrates on our organizational structure and strategy with the notion of bringing more focus to the customer service product of our business.

We have made some fundamental changes in the way that we view our organizational mission. Instead of viewing the School

by Phil Williams

Finance function solely as an enforcement entity, we understand that our constituents would be better served if we were able to balance our resource investments between helping the LEAs to achieve compliance and enforcing compliance. We believe that our mission should be to help public schools maximize their revenues and budget capacities within the constraints of state legislation and departmental policy.

The School Finance organization has been restructured into five functional work groups to provide better customer service to the LEAs. Training and Support by the STaR Team, Data Analysis and Technology Support by the Operations Support Team, Budget Operations and Fiscal Operations by the Operations Team, the School Finance  
(continued on page 4)



### Upcoming District Due Dates:

- OCT 15—SCHOOL DISTRICT EMPLOYEE REPORT
- OCT 15—FY06 ANNUAL FINANCIAL REPORT
- WITHIN 30 DAYS OF BOARD APPROVAL OR BY NOV 15—AFFIDAVIT OF PUBLICATION OF THE FY06 ANNUAL FINANCIAL REPORT
- DEC 15—BUDGET REVISIONS

### Upcoming Charter Due Dates:

- AUG 18—CHARTER ESTIMATED COUNT STUDENT LIST FOR SEPT 15 PAYMENT (REMEMBER TO CAREFULLY REVIEW THE CHARTER STUDENT LIST FOR DUPLICATES OR ERRONEOUS ENTRIES THAT WILL NEED TO BE CORRECTED ONCE THE APPLICATION RE-OPENS.)
- SEPT 18—CHARTER ESTIMATED COUNT STUDENT LIST FOR OCT 15 PAYMENT (NOTE THIS IS THE LAST DATE FOR REVISIONS TO THE ESTIMATED COUNTS APPLICATION. CHARTERS WILL BE FUNDED ON THE OCT 15 COUNT UNTIL ELIGIBLE FOR FUNDING ON 40TH DAY DATA IN SAIS.)
- OCT 15—FY06 ANNUAL FINANCIAL REPORT
- WITHIN 30 DAYS OR BY NOV 15—AFFIDAVIT OF PUBLICATION OF THE FY06 ANNUAL FINANCIAL REPORT
- NOV 15—FY06 ANNUAL AUDIT
- DEC 15—BUDGET REVISIONS (REVISED BUDGET FORMS ARE NOW ON OUR WEBSITE)

### Inside this issue:

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# School Finance Beacon

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## System Training and Response (STaR) Team Introduction

“WE ARE  
ALWAYS  
CONCERNED  
WITH  
TARGETING OUR  
WORKSHOPS TO  
FIT THE NEEDS  
OF OUR  
CUSTOMERS.”

The Arizona Department of Education (ADE) System Training and Response (STaR) Team in the School Finance Section is available to provide free workshops and one-on-one telephone training to LEAs who submit data using ADE online applications. The STaR Team has offices in Phoenix, Flagstaff and Tucson and includes several members of the former Regional Training Centers. For access to the entire team, you may

complete our brief, on-line Request for Training and Assistance form at <http://www.ade.az.gov/schoolfinance/STaR/TrainingAndAssistRequest/RequestForm.aspx>.

Workshops offered annually throughout Arizona incorporate all aspects of SAIS training, including assistance with reporting Average Daily Membership (ADM), English Language Learners (ELL) data, and Special Education (SPED)

participation. The STaR Team also provides training and support for other ADE Business Units on their specific applications, including Grants Management. For current workshop scheduling and contact information, as well as in depth information on SAIS, please browse to the STaR website at [www.ade.az.gov/schoolfinance/STaR](http://www.ade.az.gov/schoolfinance/STaR).

## Highlights of Legislative Changes Affecting FY07

Below is a summary of the Legislative changes highlights impacting Base Support Level, Revenue Control Limit & State Aid Calculations for FY07.

1. Base Level Amount increase of 4.4162% to \$3,133.53. \$72.51 of this increase is to be expended for increases in Non Administrative Salaries & Benefits.
2. Charter Additional Assistance amounts increased by 4.3% to \$1,387.25 per K-8 student count & \$1,616.81 per 9-12 student count.
3. County Equalization is suspended for three years for property tax relief—dollar amounts to be replaced by a general fund appropriation. County Jails, County Juvenile Detention Education programs & the Small Schools Service Program to be paid directly by ADE School Finance.
4. Group B Special Education Weight Changes: MDSSI from 6.531 to 7.947 OI-SC from 5.576 to 6.773 ED-P from 4.647 to 4.822.
5. Kindergarten Funding—an additional Group B Weight. Kindergarten ADM to be maintained at 0.5 for each kindergarten student. Adding a 0.835 group B weight in FY07 & adding a 1.352 group B weight in FY08.
6. ARS 15-915 corrections due to ADM—An LEA may not make upward revisions to its ADM counts for a particular school year after June 30 of the subsequent year. For FY06, all upward ADM corrections must be completed by June 30, 2007.
7. Transportation Support Level: Increasing Transportation Support Level by 2% to \$2.19 & \$1.77 dependent on route mileage per student. Increasing days from 175 to 180, pursuant to SB 1205.
8. Transportation Revenue Control Limit: If TRCL is within 120% of TSL, the district may budget for the FY07 TRCL. If it is over 120% of the FY07 TSL, the district shall budget to FY06's TRCL.
9. JTED State Aid Cap: The JTED State Aid Cap is set to 102% of FY06 state aid plus FY06 County Equalization dollar amount exclusive of prior year corrections or adjustments.

\* HB 2874—Conference Version Chapter 0353 & SB1205 Chapter 0361.

# Volume 1 Issue 1

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## FY07 Tentative STaR Workshop Schedule

### Essential Information for SAIS Coordinators for FY 2007

Fall 2006

The session includes topics that provide information that is essential for anyone who will submit student level data to Student Accountability Information System (SAIS) this school year.

### Reporting SPED Data to SAIS

Fall ~ Winter 2006

This half-day workshop is intended to provide information to assist individuals from Local Education Agencies (LEAs) who are required to submit data for students who participate in Special Education Programs to SAIS.

### Reporting ELL Data to SAIS

Fall ~ Winter 2006

This half-day workshop is intended to provide information to assist individuals from LEAs who are required to submit data for students who participate in English Language Learner Programs to the SAIS.

### Reconciling Student Membership Data in SAIS

Winter ~ Spring 2007

This workshop is intended to provide information and specific targeted assistance to individuals from LEAs who desire or need support with the process of reconciling the student membership data (average daily membership and average daily attendance) that resides in SAIS against actual student rosters. The workshop includes a formal presentation as well as an opportunity for participants to receive individual assistance regarding specific issues related to reconciling membership data in SAIS.

### SAIS Assistance by Appointment

Winter ~ Spring 2007

For those who already understand the process of reconciling membership data in SAIS, but would like the opportunity to receive face-to-face assistance on SAIS issues with a STaR Team Training and Support Analyst, we are providing "SAIS Assistance by Appointment."

### Charter Estimated Counts

Spring 2007

This half-day presentation will focus on the procedures that are necessary for personnel from Charter Schools to submit the Charter School Estimated Count. Emphasis will be placed on understanding how differences between the Estimated Count and ADM can impact State Aid.

### Wrapping up the Year in SAIS

Spring 2007

This half-day presentation will focus on the procedures that are necessary for personnel from LEAs to make sure that all data required for the current school year has been submitted and resides in SAIS. Emphasis will be placed on the use and significance of the ADE generated Student Detail Reports that display the raw data used in calculating State Aid.

### Grants Management

October, January, April

This workshop is intended to provide a basic overview of the web-based Grants Management Enterprise (GME) system to individuals from LEAs. The presentation will include an introduction to the GME system, instruction on how to create new grant applications, amendments to existing applications, cash management reports, and completion reports. Please note that this presentation will not address questions regarding specific grants or financial requirements.

### SAIS Online

Bi-Monthly

This workshop is intended to provide basic step-by-step instructions for submitting information to SAIS via SAIS Online. These will be hands-on sessions in a computer lab.

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copies of the  
School Finance  
Beacon, please  
visit:  
[http://www.  
ade.az.gov/  
schoolfinance/  
bulletinboard/  
beacon/](http://www.ade.az.gov/schoolfinance/bulletinboard/beacon/)

Please visit the STaR Team website: <http://www.ade.az.gov/schoolfinance/STaR/>



# School Finance Beacon

ARIZONA DEPARTMENT OF EDUCATION  
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## FY07 SAIS Changes Summary

### Listserv Definition:

Mailing list program for communicating with other people who have subscribed to the same list. Using e-mail, you can participate in listservs pertaining to your topics of interest. When you submit a message to the server, your message is relayed to all those on the listserv. You receive messages from other participants via e-mail. relayed to all those on the listserv. You receive messages from other participants via e-mail. It is similar to computer conferencing, but a listserv is asynchronous. **To Subscribe to the School Finance Listserv,** send an email to: [SFAListServ-subscribe@yahoo.groups.com](mailto:SFAListServ-subscribe@yahoo.groups.com).

School Finance would like to report on some SAIS changes that LEAs may expect in FY07. Earlier in the year, a requirements overview document was distributed to summarize the major development projects that have been scheduled. This article highlights a few of those changes.

### Student Integrity Report by District

With this functionality, a user will be able to request a District Integrity Status Report from the Student Detail Download Screen. The user will also be able to import the text (csv) or XML file for further analysis.

### Kindergarten Reporting

SAIS shall require actual FTE membership be submitted for a Kindergarten student. The FTEs, as well as absences, will be limited to 0.5 upon

aggregation. The Student Counts reports will reflect those limited values.

### Absence on 1<sup>st</sup> Day of School (per calendar track)

A new policy has been adopted that redefines a membership start date. SAIS rules will be revised to no longer fail an absence reported for students on the first day provided that such students attend school within the first ten school days. For more information on the First Day Absence Policy and Procedure, please visit the following link: <http://www.azed.gov/schoolfinance/FAQs/PoliciesProcedures/FirstDayAbsence.pdf>.

### Graduated Rules for 11<sup>th</sup> & 12<sup>th</sup> Grades

SAIS integrity rules will be revised to enforce the rule of allowing the submission of a

status of 'Graduated' for grades 11 and 12 only. This rule will also be enforced with respect to the Withdrawal Activity codes of Graduated (W7) & Summer Early Graduation (S7.)

### JTED/CHAR Concurrency

In HB2700 Charter/JTED ADM concurrency rules have been established. The bill states that if a student is enrolled in both a Charter and a JTED and resides within the boundaries of the JTED member district, the ADM will be allocated based on the percentage of total time that the pupil is enrolled or in attendance up to the limit of 1.25 ADM.

Note: The Instructions for Required Reports document is currently being updated to reflect these changes.

### The Phil-o-Sophic Corner (continued from page 1)

Business Consultant who assists the Business Managers and Administrators in the LEAs with business and fiscal issues and the Administrative Services Team that handles the bulk of communication between the LEAs and School Finance.

Additionally, we have created a School Finance Advisory Committee to support ongoing conversations about School Finance policy and LEAs requirements. The committee is composed of members from district and charter schools that help us to better identify LEA needs and to better understand the impact of our policy decisions in the education community. The School Finance Advisory Committee has addressed issues such as average daily membership for *first day absences* related to pre-enrolled and returning students and the definition of *excused/unexcused absences*. Subcommittees are currently reviewing topics like *concurrencies* and *Auditable ADM*.

School Finance welcomes your participation and input on these vital topics. We hope that you will make a habit of reading the *School Finance Beacon* each quarter, and will take the time to communicate with us about your ideas and concerns. Please feel free to send a comment to the Listserv at the address: <http://groups.yahoo.com/group/SFAListServ/>, or drop-by the next School Finance Advisory Committee scheduled for August 14, 2006, from 1:00 p.m. to 4:00 p.m. in the Grand Canyon Conference Room of the State Capital Building.

